

22 June 1963

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OK-5200
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Dear Hazel:

Subject: FY 1964 Spares

We present for your consideration our proposed Spares Program to support the MH 330, MH 357, MH 330 Signal Conditioner and Data Monitor operations for the fiscal year 1964.

A complete review of our needs for the coming year was completed and we present within enclosed Exhibit III and IV a detailed listing of our needs for the MH 330, 357, Signal Conditioner and Data Monitor. These spares were determined only after considering many factors which included reliability of mean time between replacement, consumption data, increased operational hours, dispersed activity, life expectancy of present equipment and expeditious turn around time during repair and overhaul. The operating hours of the equipment was determined through the consideration of a projected flight plan averaging 110 hours per system during the coming year. A ratio of 5 to 1, or 5 hours of ground time for each flight hour, was used in determining the equipment usage load factor for FY 1964.

You will note that we have identified within the two major activities (330 and 357) those items which we believe should be field spares while the balance, mostly sub-assemblies, are needed for in-house repair activities.

Our Field Spares reflect basically the marked increase in activity as contemplated for FY 1964. Also included was consideration of our past reliability, consumption data and life hour expectancy of components. The field replacement of boards was determined using our past reliability data plus consideration of the increase in field activities.

Those items not identified as sub-assemblies are needed for in-plant repair support of our field activities. You will note that we have added this year modules and sub-assemblies to support repair of returned goods. It is our belief that through the addition of these elements we shall experience a turn around rate of from 30 to 45 days. We will realize a considerable savings in repair time as our projected turn around time will be much less than our present experience.

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Within Exhibit I and II we present our over-all evaluation of the cost of this program which is based on the awarding of a cost plus fixed fee type contract. Our evaluation of the MH 330 requirements including fixed priced components, and for the Signal Conditioner and Data Monitor. The MH 357 area is evaluated at including fixed priced inertial components.

We are including within the MH 330 Spares amounts for the spare parts to support repair of both our inertial components (DGG8001B-3 Gyro and DGG116A-3 Accelerometer) and Kearfott gyros (GG8050A-1). These values are not firm and are presented to assist in evaluating the funding requirements. We shall have within 30 days firm estimates in these areas for inclusion within the contract. It is our recommendation that these spare parts inventories be established at this time so as to assure this program the needed minimum repair time capability.

Our funding requirements for the FY 1964 are presented in the following schedule by quarters, and in thousands of dollars. This is our present plan which we will update as the year progresses in order to keep you well advised of our financial needs.

FUNDING FORECAST FY 1964

	<u>1st</u>	<u>2nd</u>	<u>3rd</u>	<u>4th</u>
MH 330				
MH 357				
Total				

This proposal is based on the assumption that the general terms and conditions as presently contained within KD3540 and FL4001, plus the rent free use of facilities as provided under Government Contracts AF 33(038)-23692 and AF 33(600)-37552, will be included within the final contract.

We do want to thank you for the opportunity of having served you during the past year, and look forward to the continuance of this service throughout fiscal year 1964.

Very truly yours,

FHH:FRC:dh

Attachments -

Exhibits I, II, III, III-A, IV